

June 23, 2023

Re: White & Case Objection - Docket #2840

The Honorable Martin Glenn
Chief Judge
United States Bankruptcy Court
Southern District of New York

Dear Judge Glenn,

I am writing to express my concerns regarding the objection filed by the legal counsel representing the Celsius UCC in response to a Pro Se motion (docket #2240) submitted by Mr. Caceres, a creditor of Celsius. It is my understanding that Mr. Caceres is advocating for fair and equal treatment of the CEL token, specifically requesting that it receives the same pricing treatment as all other coins/tokens held by the creditors.

I strongly oppose the action taken by the Celsius UCC, through their legal counsel, to subordinate the CEL token claims, and I have the following reasons to support my stance:

- Aaron Colodny of White & Case has incorrectly combined criteria 3 and 4 of the Howey test in his objection, docket #2840, thereby misrepresenting the legal criteria applied.
- White & Case has not provided any supporting evidence in their objection to demonstrate that the Howey test has been satisfied. Furthermore, the opinions expressed by White & Case cannot be considered equivalent to the positions of regulators who have not yet issued formal rulings.
- Based on the screenshot from the Debtors' own website provided below (Exhibit A), it is evident that 56% of Celsius Creditors currently hold CEL tokens. Subordinating these tokens would have an adverse impact on the majority of creditors.
- The Debtor has never officially or formally stated that the CEL token is a security.
- The Debtor does describe CEL token like this on its website "Meet CEL. Think of it as a rewards program, with actual financial rewards like even higher earning rates and

ridiculously low rates on loans.” (Exhibit B) Its function is as a utility token as shown in Exhibit C.

- The Examiner's Report does not assert that the CEL token was treated as a security.
- Simon Dixon, a top 10 Celsius Creditor, explicitly states that the CEL token is NOT a security. You can find the video link here: https://twitter.com/crypto_btc/status/1569590103592546304?s=20
- Celsius Creditors currently hold numerous other tokens, and the Celsius UCC is not seeking to subordinate claims related to those tokens.
- Despite the Securities and Exchange Commission (SEC) asserting that the VGX token is a security in their lawsuits against Binance and Coinbase, creditors holding VGX tokens from Voyager are not facing subordination.
- Following the SEC's recent lawsuits against Binance and Coinbase, there are now only a total of 68 named tokens that the SEC officially considers securities, and the CEL token is not among them.
- Even if regulators were to determine that the CEL token is a security, there is still no legal justification to subordinate creditors' claims. I argue that if the CEL token were to be subordinated, the same treatment should be applied to all coins, with the exception of Bitcoin, which regulators have explicitly stated is not a security.
- The Celsius UCC is failing to fulfill its fiduciary duty to maximize recovery for all creditors.

Sincerely,

John Hodson
Celsius Creditor

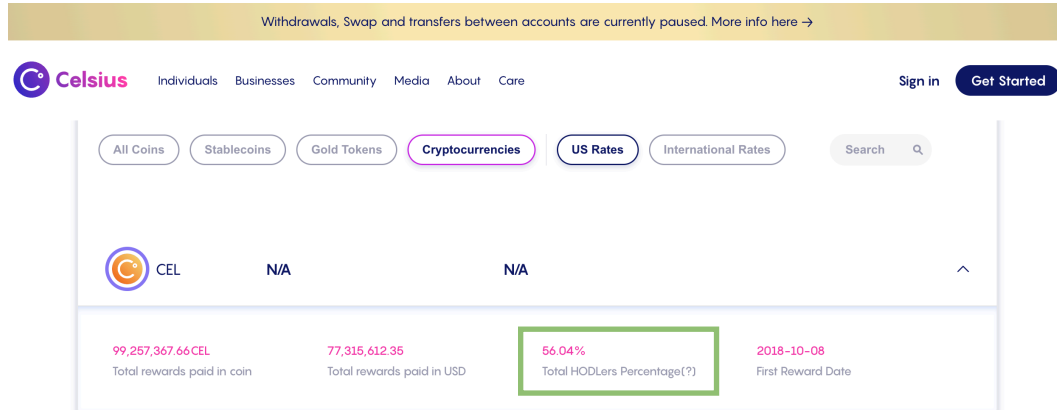


Exhibit A

Meet CEL. Think of it as a rewards program, with actual financial rewards like even higher earning rates and ridiculously low rates on loans.

Exhibit B






Reward Status	CEL Ratio	or CEL Balance	Bonus Rewards	Loan Interest Discount
 NONE	0%-5%	0 CEL	0%	5%
 BRONZE	5%-10%	1 CEL	10%	5%
 SILVER	10%-15%	1,000 CEL	15%	10%
 GOLD	15%-25%	10,000 CEL	20%	15%
 PLATINUM	25%-100%	25,000 CEL	30%	25%

Exhibit C